



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 30 April 2014

31 March 2014 QUARTERLY REPORT

Throughout the quarter, the Company has continued with its strategy of developing the pig iron project in Kulon Progo (Project), Indonesia. Approval of the re-submitted Feasibility Study was granted on 14 March 2014 by the Ministry of Energy and Mineral Resources in Indonesia. This approval enables the plant location to be moved to the western end of the Contract of Work area.

All land acquisition activities by PT Jogja Magasa Iron (JMI) have now been completed with around 170 hectares of land having been acquired for the Project. Most recently, JMI has reached agreement for acquisition of the access road through to the site area.

The Company has been reviewing its options in relation to the phased construction of a concentrate plant ahead of pig iron production. In the context of Government Regulation 7/2012 and the export tax provisions announced on 12 January 2014, there is very limited opportunity for JMI to profitably implement concentrate production through export nor is there sufficient demand domestically to justify the early capital required to establish these facilities.

Therefore, studies are now focussed on the production of pig iron and testwork is being undertaken to finalise the pig iron process design. These studies will be a precursor to any bankable feasibility study scope of work required to take the project through to development.

During the quarter the Company announced the appointment of Mr Arran Marshall as CEO.

The Company invested ~US\$10 million in a low risk US Fixed Income portfolio during the quarter. The combined value of the portfolio and cash reserves at 31 March was A\$23.7 million, the majority of which is held in US dollars.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

INDO MINES LIMITED

ABN

40 009 245 210

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(3,099)	(18,049)
(b) development	-	-
(c) production	-	-
(d) administration	(309)	(1,016)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	599
1.5 Interest and other costs of finance paid	(85)	(261)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(3,487)	(18,727)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(50)
(b) equity investments	-	-
(c) other fixed assets	(19)	(1,680)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
- US Fixed Income Portfolio	(11,172)	(11,172)
- Income from Fixed Income Portfolio	34	34
Net investing cash flows	(11,157)	(12,868)
1.13 Total operating and investing cash flows (carried forward)	(14,644)	(31,595)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(14,644)	(31,595)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(14,644)	(31,595)
1.20	Cash at beginning of quarter/year to date	27,769	43,735
1.21	Exchange rate adjustments to item 1.20	(321)	664
1.22	Cash at end of quarter	12,804	12,804

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	168
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Managing Director's Remuneration for the period to 31 January 2014, including annual leave of \$84,855 paid upon termination of employment, Non-Executive Directors Fees for the quarter ended 31 December 2013 (fees are paid quarterly in arrears) and Executive Director salary for March.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,000
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	3,300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	10,304	14,063
5.2 Deposits at call	2,500	13,706
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	12,804	27,769

Interests in mining tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

1. Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Jogjakarta - Contract of Work	Indonesia	70%	0%	0%

2. There were no farm-in or farm-out agreements over any tenements.

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Appendix 5B
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i> Converting performance shares -Class E	20,000,000	Nil	Nil	N/a
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	538,026,598	538,026,598		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i> - Senior Secured Convertible Debenture with Anglo pacific Group plc	US\$4,000,000			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i> -Vendor Options	1,500,000	-	Exercise price \$0.20	Expiry date 1 October 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				


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7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2014
(~~Director~~/Company secretary)

Print name: Stacey Apostolou

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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